Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

2016 Canadian Agricultural Outlook

Canada

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Executive Summary

The current financial situation for the Canadian agriculture sector is very positive. Nominal Net Cash Income (NCI) is expected to once again reach a new record of CAD$15.0 billion in 2015, and in real terms, NCI is expected to be at its highest level since the early 1970s. This is largely due to macroeconomic conditions, in particular the lower oil price, which has significantly reduced on-farm fuel expenses, and the depreciation of the Canadian dollar vis-à- vis the U.S. dollar, which has vastly improved the competiveness of Canadian agricultural commodities in export markets. These macroeconomic conditions have insulated Canadian producers from weakness in global commodity markets which has led to declines in U.S. dollar prices for key agricultural commodities.

The broader financial perspective also looks positive for Canada's agriculture sector. Total farm family income, which includes non-farm income earned by farm families, has continued to increase in recent years. Balance sheets are strong with assets growing faster than liabilities. AgriStability and Crop Insurance still provide support to specific producers whose financial situations have deteriorated, but the ratio of program payments-to-market receipts is low despite a small increase from 2014. In the short term, it's expected that weakness in global commodity markets will persist. Global stocks of crops are at high levels thanks to several years of record global production and will continue to place downward pressure on grain prices. For the livestock sector, expansion in the U.S. has put pressure on prices for cattle and hogs in North America. U.S. hog prices in particular have seen a significant decline.

In the medium term, however, the fundamental drivers of the sector's profitability are expected to stay strong. Economic growth is expected to eventually improve in the developing world, leading to a further expansion of the middle class and increased demand for agricultural products. Per capita meat consumption is expected to continue expanding in developing countries as the middle class in these countries expands. As Canada exports a significant share of its agricultural production, these expected improvements in demand will provide additional opportunities for Canadian producers over the next ten years.

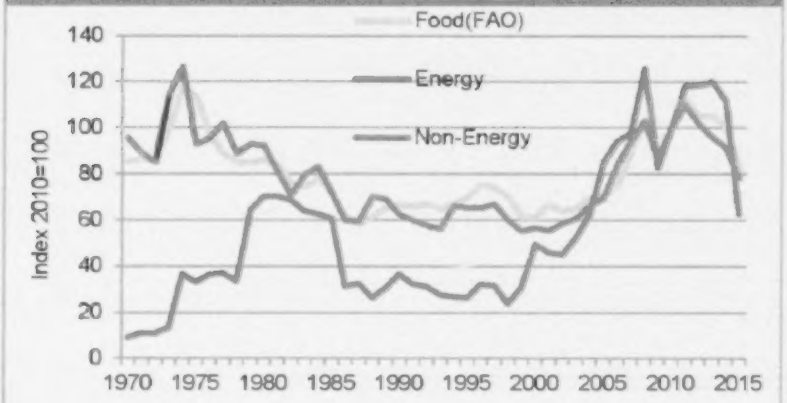
Prices in global commodity markets have seen a significant decline in the past several years

Food, energy and non-energy price indices have seen declines in recent years after a period of significant increases from 2000 to 2012, when demand saw a large increase from developing countries, in particular China. Crude oil, one of the most visibly traded commodities, has seen a significant price decline, with prices for West Texas Intermediate crude oil (WTI) falling from US$84/barrel in October 2014 to under US$30/barrel in early 2016.

U.S. dollar prices for wheat, corn and soybeans are significantly down from peaks observed in 2011 and 2012. Increased global production has recently outpaced demand growth, with combined stocks of wheat, coarse grains and oilseeds reaching a ten-year high. Much of this has been driven by higher U.S. production which has rebounded from the 2012 drought.

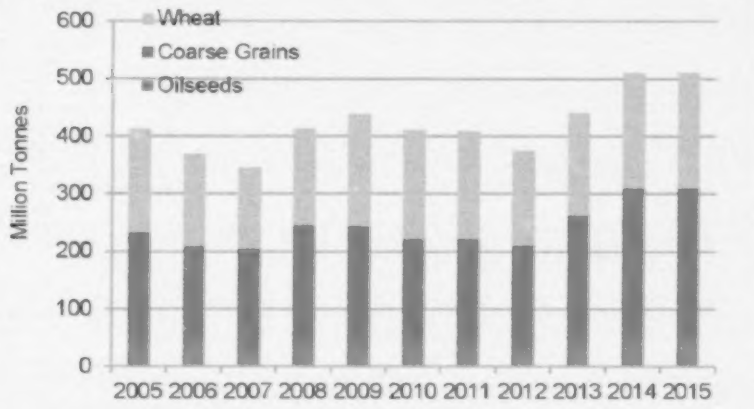
Livestock prices in U.S. dollars are also showing signs of weakness. For cattle, prices have fallen, but are still relatively strong as the rebuilding of the U.S. cattle herd has only recently been observed, limiting supply growth. The decline in hog prices is much more pronounced as the U.S. hog sector has recovered from the Porcine Epidemic Diarrhea virus (PEDv) in 2014, leading to rapidly increasing supply.

Chart 1a: Real U.S. Dollar Price Indices: Food, Energy, Non-Energy



Source: World Bank FAO, AAFC Calculations

Chart 1b : World Stocks of Grains and Oilseeds



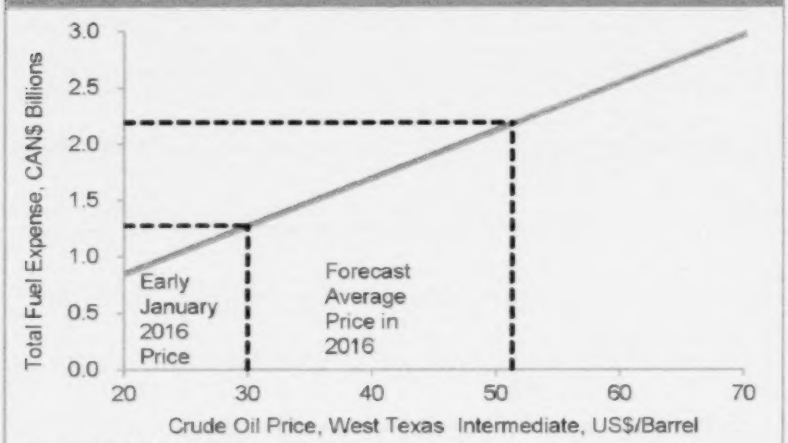
Source: OECD-FAO, AAFC Calculations

While commodity prices have been low, the macroeconomic situation has proven beneficial to Canadian producers

The decline in the crude oil price has provided a boost for energy-intensive production and increased the profitability of the agriculture sector. Farm fuel expenses in 2015 are estimated to be CAN$0.5 billion lower than in 2014. Crude oil prices are forecasted to average US$51/barrel in 2016, but are below US$30/barrel as of January 2016. If crude oil prices stay below the forecasted value for 2016, it is expected to provide an additional reduction in farm fuel expenses. The Conference Board of Canada expects crude oil prices to rise in the medium term.

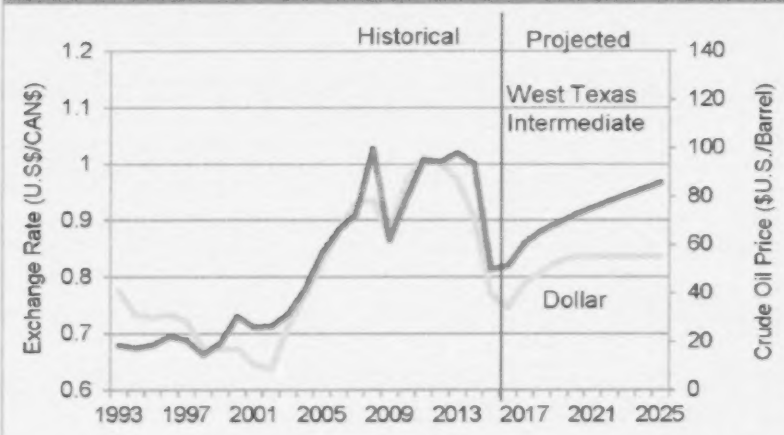
At the same time, the Canada-U.S. exchange rate has also seen a significant decline. The value of the Canadian dollar declined from an average of US$0.91 in 2014 to US$0.77 in 2015, and dipped below US$0.70 in January 2016. As a major exporter, this significantly benefits the agriculture sector in Canada as many agricultural commodities are priced in U.S. dollars. The depreciation in the Canadian dollar means that the Canadian dollar price for agricultural commodities is much higher than if it were at par with the U.S. dollar, insulating Canadian producers from lower U.S. prices. The Conference Board of Canada expects that the exchange rate will strengthen somewhat over the medium term and stabilize at a value of US$0.84 by 2020.

Chart 2a: Crude Oil Prices versus Total Machinery Fuel Expense, 2016



Source: AAFC Calculations.

Chart 2b: Exchange Rate and Oil Price



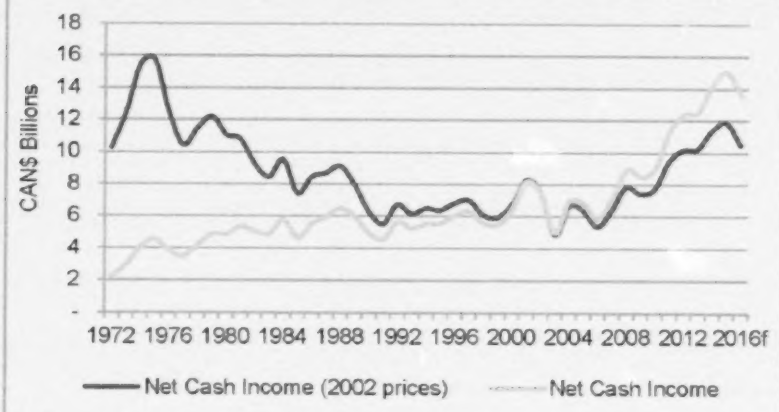
Source: Conference Board of Canada, AAFC Calculations

Due largely to these macroeconomic conditions, farm income in Canada is expected to continue to grow and reach a new record in 2015

Net Cash Income (NCI), an aggregate measure of profitability in the agriculture sector, is estimated to reach a new record of CAN$15.0 billion in 2015, as the exchange rate boosts agricultural commodity prices in Canada and cheaper fuel limits the increase in input costs. This is 6% higher than the previous record set in 2014, and is the highest level in real terms since the early 1970s. By contrast, NCI in the U.S. for 2015 is expected to decline 28%. While there are differences in the agricultural products produced in Canada and the U.S., there is enough of an overlap to provide insight on the positive impact of the depreciation in the Canadian dollar vis-à-vis the U.S. dollar. In 2016, NCI in Canada is expected to decline by 9% to CAN$13.6 billion as receipts are expected to decline by 1% (largely due to a decrease in livestock receipts) and input costs increase by 2%.

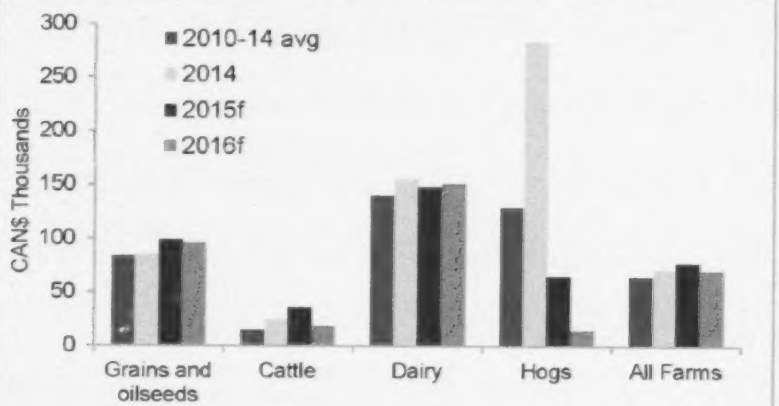
Average Net Operating Income (NOI), a farm level measure of profitability, is also expected to reach a record CAN$77,287, 8% higher than in 2014. In 2016, it is expected to decrease to CAN$69,989. The largest decline in average NOI is expected to come from the hog sector, as lower prices have an impact on profitability.

Chart 3a: Net Cash Income, Canada: Historical and Forecast



Source: Statistics Canada, AAFC Calculations

Chart 3b: Average Net Operating Income by Farm Type



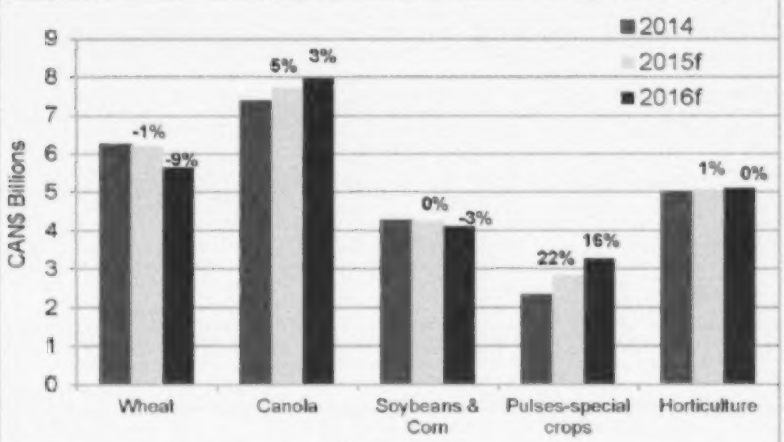
Source: Statistics Canada, AAFC Calculations.

Crop receipts are expected to increase modestly as overall crop output in 2015 expands

Crop receipts in Canada are estimated to increase 2% from 2014 levels to reach CAN$30.7 billion in 2015. While there was concern in Western Canada due to dry conditions in the early summer, ample rains arrived in the mid-to-late summer, thus limiting the negative impact to a small number of regions. Canadian production of grains, oilseeds and special crops totaled 83.9 million tonnes in 2015, which was 3.2% higher than in 2014, and is the second highest ever after the record harvest of 2013. Weaker U.S. dollar prices were largely offset by the decline in the exchange rate. In 2016, the forecast is for crop receipts to remain virtually unchanged at CAN$30.6 billion.

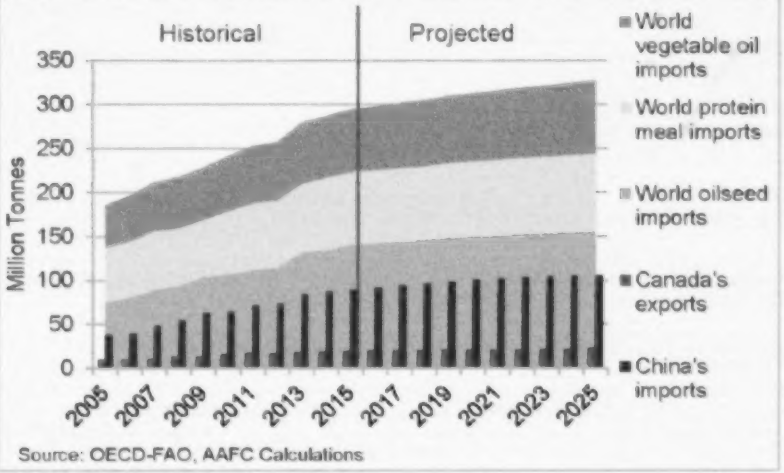
Global production is expected to continue expanding. In the last ten years, global production of wheat, coarse grains and oilseeds has often registered progressively higher record levels of output. Growing demand for oilseed protein meal (for animal feed) and oilseed vegetable oil (for food use) has supported a significant expansion in oilseed production in the U.S. and South America. Canada is expected to continue to export a significant share of its canola production over the medium term, with China remaining an important destination for all oilseed exporters.

Chart 4a: Crop Receipts



Source: Statistics Canada, AAFC Calculations

Chart 4b: Trade in Oilseed, Protein Meal and Vegetable Oil: 2005-2025



Source: OECD-FAO, AAFC Calculations

Livestock receipts are up slightly, but with significant variation between sub-sectors

Livestock receipts in Canada for 2015 are expected to increase by a modest 2% to CAN$26.2 billion, however, this masks important differences in components of the livestock sector.

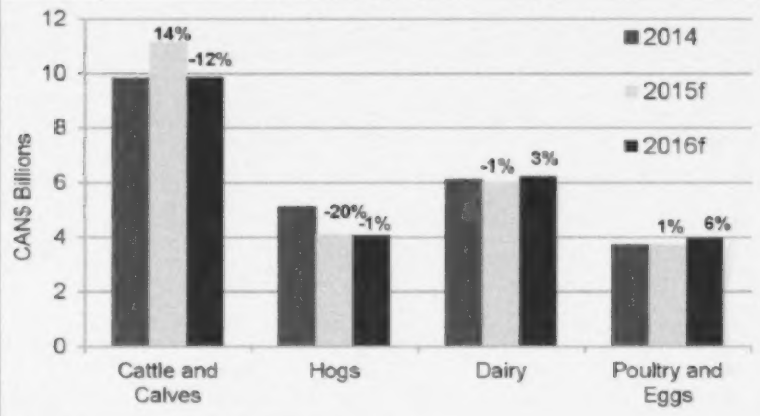
Receipts in the cattle sector are expected to be up by 14%, driven by a 20% increase in the Canadian price. The U.S. steer to feedgrain price ratio, which is an indicator of profitability, is still well above its 20-year average, but it has started to come down from the record high observed in 2014. Further expansion in U.S. cattle supplies will continue to reduce U.S. prices.

By contrast, receipts in the hog sector are expected to be down by 20%, driven almost entirely by a decline in prices. In the U.S., a rebound from the PEDv epidemic and a supply response to recent high prices has brought prices down by approximately 30% for the year. The U.S. hog-to-feedgrain price ratio is expected to remain slightly below the 20-year average over the medium term.

The supply managed sectors are expected to see little overall change in receipts, with a minor increase in poultry and eggs and a minor decrease in the dairy sector.

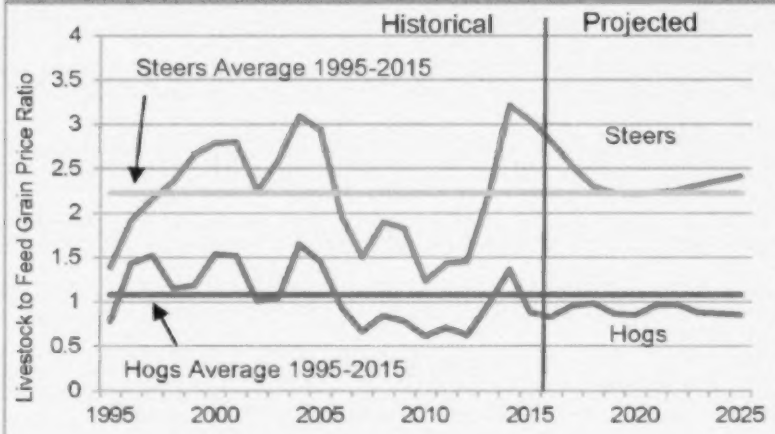
In 2016, total livestock receipts are expected to decline by 4% as the re-building of the cattle breeding herd continues. This rebuilding process will last for several years.

Chart 5a: Livestock Receipts



Source: Statistics Canada, AAFC Calculations

Chart 5b: U.S. Livestock-to-Feed Grain Price Ratio



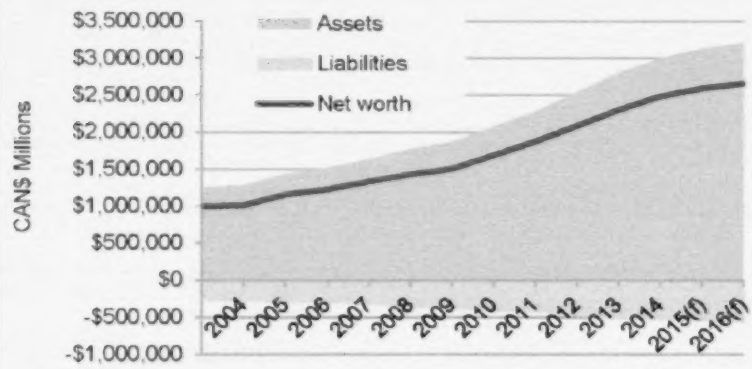
Source: OECD-FAO, IMF, AAFC Calculations

Net worth among Canadian agricultural producers has been increasing steadily for an extended period, as assets have increased more than liabilities. The forecast shows net worth reaching CAN$2.7 million for the average farm in 2016.

Asset growth has in large part been fuelled by increasing land values, which have been driven by higher farm income and commodity prices. This has further been facilitated by low interest rates that have prevailed since 2009. The ratio of total debt-to-total assets has been trending downward for the past decade and is forecasted to be 17% in 2016.

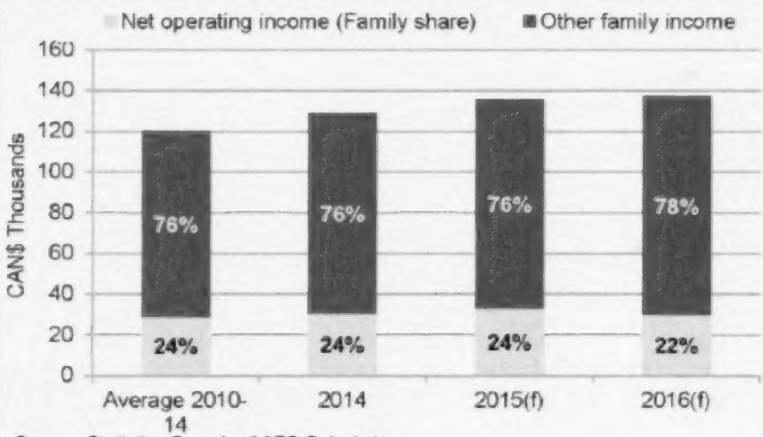
Farm family income on the whole is also expected to increase in 2015. Other family income, which includes off-farm wages, investment income, and farm salaries paid to family members, generally represents about 75-80% of total family income for unincorporated farms since 2001. Total farm family income, which includes the family's share of net operating income from the farm business and "other family income", has been rising steadily, and will reach an average of CAN$136,900 per farm family in 2016.

Chart 6a: Average Assets, Liabilities and Net Worth of Canadian Farms



Source: Statistics Canada, AAFC Calculations.

Chart 6b: Total Farm Family Income, Canada Average



Source: Statistics Canada, AAFC Calculations.
Notes: Data represents unincorporated farms only.

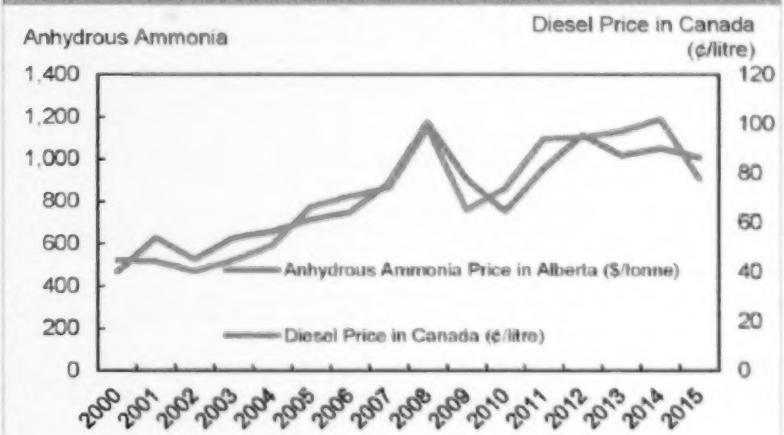
The strong financial performance of the sector has reduced reliance on Business Risk Management programs

Producers face a variety of risks ranging from production risk (including weather) to price risk for outputs and inputs which can impact farm profitability. An example of this are the fluctuations that have been seen in diesel and fertilizer prices since 2000. While not all risks result in negative impacts, some producers in Western Canada were impacted by dry conditions in 2015 that reduced crop yield and quality.

Nonetheless, conditions on the whole over the last few years have been robust, and as a result, the ratio of program payments to receipts has fallen significantly. In 2015, payments are expected to decline by 1% to CAN$2.1 billion. Despite 2015 being the second largest crop on record, Crop Insurance, which provides coverage against declines in crop yields, is forecasted to increase by 41%. This is due mainly to indemnities returning to normal following several years of very high production and low payments, and some small areas of Western Canada being impacted by drought in 2015. By contrast, AgriStability payments, which provide whole farm support against a decline in margins, are expected to decrease by 35%, as overall farm income has been very strong.

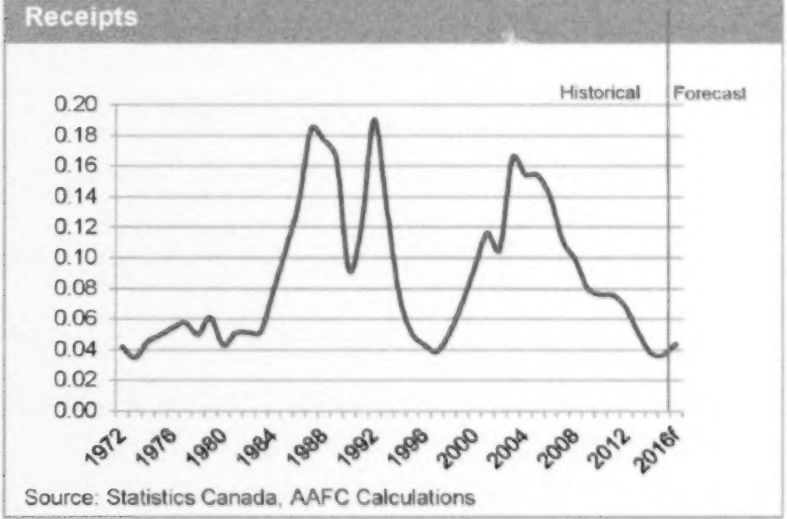
For 2016, total payments are projected to increase by 18%, led by higher AgriStability payments for income shortfalls such as declining profits on hog farms in 2015, and the effects of drought in areas of Western Canada.

Chart 7a: Diesel and Anhydrous Amonia Prices 2000-2015



Data source: (1) MJ Ervin & Associates Inc.; (2) Alberta Farm Input

Chart 7b: Program Payments as a Proportion of Market Receipts



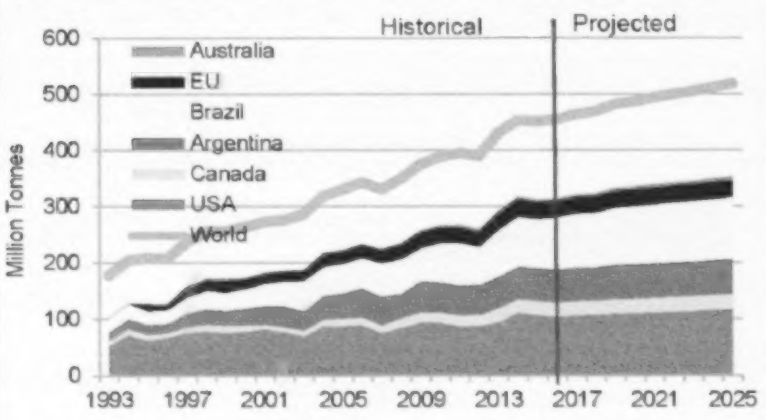
Source: Statistics Canada, AAFC Calculations

Medium term prospects for the sector are promising despite short term risks

In the short term, commodity prices in U.S. dollar terms will continue to weaken while stocks are high. Canada will also face a challenge from competition from other key producers of the world. South American competition will continue to be a major factor in global markets, putting pressure on the supply side. Increased competition is also expected to come from the Black Sea region. North American cattle prices will continue to adjust downward from relatively high levels while hog prices stabilize around current levels.

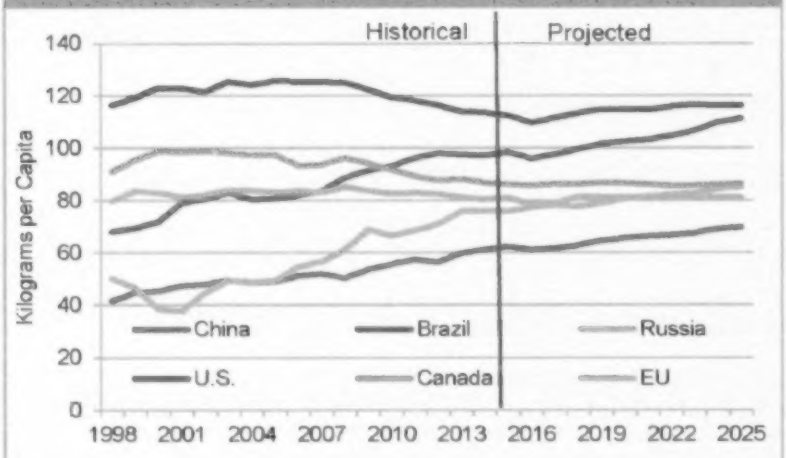
In the medium term, however, the outlook remains positive. Increasing income levels in the developing world and the expansion of the global middle class are expected to be key drivers of demand for agricultural products. Per capita meat consumption in developing economies is expected to expand between now and 2025. While it is not expected to reach the level seen in developed countries, the large populations in the developing world will nonetheless significantly increase demand for livestock products. Consequently, exporting countries will be able to take advantage of rising global demand and Canada's agriculture sector is expected to benefit.

Chart 8a: Major Oilseed Producers



Source: OECD-FAO, AAFC Calculations

Chart 8b: Per Capita Meat Consumption



Source: OECD-FAO, AAFC Calculations

Canadian Situation

Table A.1: Farm Financial Situation, Canada, 2014 to 2016

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Provincial Situation

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Table B.2: Farm Financial Situation, Prince Edward Island, 2014 to 2016

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Table B.7: Farm Financial Situation, Manitoba, 2014 to 2016

Table B.8: Farm Financial Situation, Saskatchewan, 2014 to 2016

Table B.9: Farm Financial Situation, Alberta, 2014 to 2016

Table B.10: Farm Financial Situation, British Columbia, 2014 to 2016

Table A.1:
Farm Financial Situation, Canada, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	$ million			%	%	- $ million -	%	%
Crop Receipts	30,017.0	27,725.2	30,652.3	2	11	30,609.0	0	10
Livestock Receipts	25,701.6	21,467.8	26,174.2	2	22	25,247.4	-4	18
Total Market Receipts	55,718.6	49,193.0	56,826.6	2	16	55,856.4	-2	14
Program Payments	2,099.4	2,960.6	2,074.0	-1	-30	2,440.3	18	-18
Total Cash Receipts	57,818.0	52,153.6	58,900.6	2	13	58,296.7	-1	12
Net Operating Expenses	43,574.0	40,253.3	43,860.6	1	9	44,676.0	2	11
Net Cash Income	14,244.0	11,900.3	15,040.0	6	26	13,620.7	-9	14
Realized Net Income	7,705.9	5,862.8	8,174.8	6	39	6,511.0	-20	11
Total Net Income	4,828.0	6,414.1	7,456.1	54	16	6,237.8	-16	-3
Range for Net Cash Income Forecast								
	$ million			%	%	- $ million -	%	%
Lowest Value			13,520.9	-5	14	10,297.2	-32	-13
Net Cash Income	14,244.0	11,900.3	15,040.0	6	26	13,620.7	-9	14
Highest Value			16,559.0	16	39	16,944.1	13	42
Average Net Operating Income								
	$ per farm			%	%	- $ per farm -	%	%
Farm Market Receipts	402,494	352,449	420,778	5	19	418,235	-1	19
Program Payments	12,886	17,295	12,948	0	-25	15,639	21	-10
Farm Expenses	343,870	305,401	356,439	4	17	363,886	2	19
Net Operating Income	71,511	64,343	77,287	8	20	69,989	-9	9
Average Balance Sheet								
Total Assets (TA)	3,000,825	2,538,509	3,130,802	4	23	3,213,226	3	27
Total Liabilities (TL)	521,569	459,037	539,868	4	18	554,899	3	21
Net Worth (NW)	2,479,256	2,079,472	2,590,934	5	25	2,658,327	3	28
Average Total Family Income								
	$ per family			%	%	- $ per family -	%	%
Net Operating Income	30,674	29,089	33,151	8	14	30,021	-9	3
Other Family Income	97,776	90,590	102,327	5	13	106,801	4	18
Total Family Income	128,449	119,658	135,478	5	13	136,822	1	14

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.

Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.

Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

* The percent change calculation may not be exact due to rounding.

Table A.2: Net Operating Income per farm by farm type, Canada, 2014 to 2016

Farm Type	Farm Market Receipts	Program Payments	Farm Expenses	Net Operating Income
		Average per farm 2010-2014 ($)		
Grains and oilseeds	301,509	22,371	240,010	83,861
Potato	1,286,325	80,982	1,069,379	217,927
Vegetable	455,329	22,761	408,878	69,212
Fruit	234,851	16,789	217,781	33,860
Greenhouse	1,127,446	28,741	1,031,762	124,425
Cattle	261,451	9,522	255,710	15,263
Dairy	577,522	10,090	447,670	139,942
Hogs	1,707,569	106,934	1,685,331	129,073
Poultry & Eggs	1,166,548	9,483	992,729	182,302
All Farms	352,449	17,295	305,401	64,343
		Average per farm in 2014 ($)		
Grains and oilseeds	341,100	16,906	272,416	85,590
Potato	1,337,669	67,752	1,161,468	243,953
Vegetable	478,287	22,053	420,438	79,902
Fruit	240,287	11,132	218,421	31,978
Greenhouse	1,368,474	30,589	1,228,730	170,432
Cattle	328,402	6,541	310,432	24,512
Dairy	635,390	8,324	487,880	155,834
Hogs	2,328,773	67,718	2,112,375	284,116
Poultry & Eggs	1,223,242	6,412	1,042,531	189,123
All Farms	402,494	12,886	343,870	71,511
		Average per farm in 2015 ($)		
Grains and oilseeds	359,291	19,852	279,526	98,587
Potato	1,308,210	70,730	1,161,577	307,363
Vegetable	484,203	16,245	427,628	72,820
Fruit	251,695	13,714	222,218	43,190
Greenhouse	1,400,176	19,581	1,257,058	162,699
Cattle	370,475	5,156	340,111	35,520
Dairy	649,726	3,751	505,043	148,434
Hogs	1,948,385	35,742	1,918,992	65,135
Poultry & Eggs	1,255,439	3,578	1,082,831	176,186
All Farms	420,778	12,048	356,439	77,287
		Average per farm in 2016 ($)		
Grains and oilseeds	361,492	24,174	289,389	96,276
Potato	1,400,335	102,749	1,191,505	311,578
Vegetable	502,722	23,372	449,359	76,735
Fruit	259,560	19,205	234,228	44,537
Greenhouse	1,440,341	20,685	1,319,948	141,077
Cattle	340,008	4,981	326,522	18,447
Dairy	670,318	4,543	523,552	151,309
Hogs	1,953,911	89,583	2,028,700	14,794
Poultry & Eggs	1,338,372	4,740	1,170,006	173,106
All Farms	418,235	19,639	363,886	59,989

Source: Statistics Canada Whole Farm Data Project, AAFC 2014-2016 forecasts.

Table A.3: Total Family Income per family by farm type, Canada, 2014 to 2016

Farm Type	Net Operating Income	Other Family Income	Total Family Income
		Average per family in 2010-2014 average ($)	
Grains and oilseeds	44,295	95,809	140,103
Potato	44,108	55,905	100,014
Vegetable	24,793	63,968	88,762
Fruit	13,030	87,314	100,344
Greenhouse	19,121	73,278	92,399
Cattle	11,084	93,269	104,354
Dairy	85,207	42,038	127,245
Hogs	79,150	64,257	143,406
Poultry & Eggs	56,132	79,891	136,023
All Farms	29,069	90,590	119,658
		Average per family in 2014 ($)	
Grains and oilseeds	42,691	103,444	146,134
Potato	48,351	60,385	108,736
Vegetable	28,406	69,069	97,475
Fruit	11,562	94,280	105,841
Greenhouse	25,539	79,108	104,647
Cattle	16,752	100,625	117,376
Dairy	93,313	45,329	138,642
Hogs	149,317	69,354	218,671
Poultry & Eggs	57,107	86,328	143,435
All Farms	30,674	97,776	128,449
		Average per family in 2015 ($)	
Grains and oilseeds	49,173	108,267	157,440
Potato	60,919	63,234	124,153
Vegetable	25,888	72,303	98,192
Fruit	15,615	98,671	114,287
Greenhouse	24,380	82,780	107,160
Cattle	24,275	105,279	129,554
Dairy	68,882	47,401	136,283
Hogs	34,232	72,609	106,841
Poultry & Eggs	53,200	90,426	143,627
All Farms	33,151	102,327	135,478
		Average per family in 2016 ($)	
Grains and oilseeds	48,020	113,000	161,021
Potato	61,755	66,107	127,862
Vegetable	27,280	75,506	102,786
Fruit	16,102	102,980	119,082
Greenhouse	21,140	86,380	107,520
Cattle	12,607	109,872	122,478
Dairy	90,604	49,461	140,065
Hogs	7,775	75,771	83,546
Poultry & Eggs	52,270	94,440	146,710
All Farms	30,021	106,801	136,822

Source: Statistics Canada Whole Farm Data Project; AAFC 2014-2016 forecasts.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.1:
Farm Financial Situation, Newfoundland and Labrador, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	——— $ million ———			%	%	- $ million -	%	%
Crop Receipts	16.8	17.2	17.4	4	2	18.1	4	5
Livestock Receipts	109.3	108.3	114.3	5	6	116.4	2	8
Total Market Receipts	126.1	125.5	131.7	4	5	134.6	2	7
Program Payments	0.6	0.7	0.3	-42	-54	0.9	169	23
Total Cash Receipts	126.7	126.2	132.1	4	5	135.4	3	7
Net Operating Expenses	121.7	113.5	124.0	2	9	128.3	3	13
Net Cash Income	5.0	12.7	8.0	60	-37	7.2	-11	-44
Realized Net Income	-3.9	4.2	-1.2	**	-129	-2.3	**	-156
Total Net Income	-3.7	3.8	-1.2	**	-130	-2.2	**	-157
Range for Net Cash Income Forecast								
	——— $ million ———			%	%	- $ million -	%	%
Lowest Value			2.5	-49	-80	-1.1	-113	-108
Net Cash Income	5.0	12.7	8.0	60	-37	7.2	-11	-44
Highest Value			13.5	169	6	15.4	92	21
Average Net Operating Income								
	——— $ per farm ———			%	%	- $ per farm -	%	%
Farm Market Receipts	694,373	577,741	740,793	7	28	764,507	3	32
Program Payments	17,472	14,477	10,362	-41	-28	28,445	175	96
Farm Expenses	615,845	508,503	646,116	5	27	674,033	4	33
Net Operating Income	95,999	83,714	105,029	9	25	118,920	13	42
Average Total Family Income								
	——— $ per family ———			%	%	- $ per family -	%	%
Net Operating Income	23,855	20,486	26,009	9	27	29,551	13	44
Other Family Income	x	x	x	x	x	x	x	x
Total Family Income	x	x	x	x	x	x	x	x

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

** The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.2:
Farm Financial Situation, Prince Edward Island, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	$ million			%	%	$ million	%	%
Crop Receipts	308.3	303.7	304.7	-1	0	320.1	5	5
Livestock Receipts	145.8	138.4	144.1	-1	4	142.9	-1	3
Total Market Receipts	454.1	442.1	448.8	-1	2	463.1	3	5
Program Payments	22.3	28.1	24.9	12	-12	32.4	30	15
Total Cash Receipts	476.4	470.2	473.6	-1	1	495.5	5	6
Net Operating Expenses	387.3	374.8	392.9	1	5	401.7	2	7
Net Cash Income	89.0	95.4	80.8	-9	-15	93.8	16	-2
Realized Net Income	41.2	51.2	31.1	-25	-39	42.6	37	-17
Total Net Income	57.4	56.7	21.9	-62	-61	51.6	136	-9
Range for Net Cash Income Forecast								
	$ million			%	%	$ million	%	%
Lowest Value			40.0	-55	-58	48.4	-40	-49
Net Cash Income	89.0	95.4	80.8	-9	-15	93.8	16	-2
Highest Value			121.6	37	27	139.2	72	46
Average Net Operating Income								
	$ per farm			%	%	$ per farm	%	%
Farm Market Receipts	466,609	450,154	472,534	1	5	493,861	5	10
Program Payments	17,292	26,485	19,603	13	-26	25,971	32	-2
Farm Expenses	403,907	403,763	416,342	3	3	431,934	4	7
Net Operating Income	81,904	72,876	75,795	-7	4	87,897	16	21
Average Total Family Income								
	$ per family			%	%	$ per family	%	%
Net Operating Income	23,936	22,714	22,150	-7	-2	26,687	16	13
Other Family Income	74,094	70,442	77,532	5	10	81,939	6	16
Total Family Income	98,030	93,156	99,683	2	7	107,626	8	16

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009;
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014;
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income,
with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.3:
Financial Situation, Nova Scotia, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	$ million			%	%	$ million	%	%
Crop Receipts	173.0	151.5	170.4	-1	13	165.5	-3	9
Livestock Receipts	360.9	387.1	401.7	11	4	382.4	-5	-1
Total Market Receipts	533.9	538.6	572.2	7	6	547.9	-4	2
Program Payments	42.3	18.3	12.3	-71	-33	15.1	23	-17
Total Cash Receipts	576.1	556.9	584.5	1	5	563.1	-4	1
Net Operating Expenses	502.4	466.3	512.0	2	10	526.6	3	13
Net Cash Income	73.8	90.6	72.5	-2	-20	36.5	-50	-60
Realized Net Income	9.3	29.1	6.1	-35	-79	-31.4	-616	-208
Total Net Income	6.8	29.7	6.0	-32	-80	-32.2	-637	-208
Range for Net Cash Income Forecast								
	$ million			%	%	$ million	%	%
Lowest Value			55.4	-25	-39	20.5	-72	-77
Net Cash Income	73.8	90.6	72.5	-2	-20	36.5	-50	-60
Highest Value			89.5	21	-1	52.6	-27	-42
Average Net Operating Income								
	$ per farm			%	%	$ per farm	%	%
Farm Market Receipts	377,577	358,118	416,033	10	16	398,988	-4	11
Program Payments	18,315	11,552	5,415	-70	-53	6,755	25	-42
Farm Expenses	341,107	310,512	363,986	7	17	366,780	1	18
Net Operating Income	54,784	59,158	57,461	5	-3	38,963	-32	-34
Average Total Family Income								
	$ per family			%	%	$ per family	%	%
Net Operating Income	17,235	19,042	18,077	5	-5	12,258	-32	-36
Other Family Income	73,597	69,951	76,862	4	10	80,415	5	15
Total Family Income	90,832	88,994	94,939	5	7	92,673	-2	4

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.4:
Farm Financial Situation, New Brunswick, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	——— $ million ———			%	%	- $ million -	%	%
Crop Receipts	290.1	267.9	296.7	2	11	296.1	0	11
Livestock Receipts	259.7	246.5	250.8	-3	2	248.8	-1	1
Total Market Receipts	549.8	514.5	547.4	0	6	544.9	0	6
Program Payments	14.1	23.3	8.8	-38	-62	17.6	100	-24
Total Cash Receipts	563.9	537.7	556.2	-1	3	562.6	1	5
Net Operating Expenses	440.5	432.2	438.8	0	2	445.2	1	3
Net Cash Income	123.4	105.6	117.5	-5	11	117.4	0	11
Realized Net Income	67.8	51.8	60.7	-10	17	59.6	-2	15
Total Net Income	72.3	48.8	71.8	-1	47	57.9	-19	19
Range for Net Cash Income Forecast								
	——— $ million ———			%	%	- $ million -	%	%
Lowest Value			84.9	-31	-20	77.5	-34	-27
Net Cash Income	123.4	105.6	117.5	-5	11	117.4	0	11
Highest Value			150.0	22	42	157.3	34	49
Average Net Operating Income								
	——— $ per farm ———			%	%	- $ per farm -	%	%
Farm Market Receipts	410,760	399,709	417,637	2	4	417,082	0	4
Program Payments	13,961	19,018	8,361	-40	-56	19,110	129	0
Farm Expenses	350,496	354,432	356,848	2	1	361,912	1	2
Net Operating Income	74,226	64,294	69,149	-7	8	74,280	7	16
Average Total Family Income								
	——— $ per family ———			%	%	- $ per family -	%	%
Net Operating Income	20,231	17,658	18,848	-7	7	20,246	7	15
Other Family Income	69,269	66,481	72,010	4	8	75,386	5	13
Total Family Income	89,501	84,138	90,858	2	8	95,632	5	14

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.5:
Farm Financial Situation, Quebec, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	---------- $ million ----------			%	%	- $ million -	%	%
Crop Receipts	2,576.0	2,500.0	2,581.9	0	3	2,690.7	0	4
Livestock Receipts	5,506.0	4,969.8	5,226.9	-5	5	5,314.6	2	7
Total Market Receipts	8,081.9	7,469.8	7,808.9	-3	5	7,905.3	1	6
Program Payments	321.1	573.7	180.1	-44	-69	258.5	44	-55
Total Cash Receipts	8,403.0	8,043.5	7,988.9	-5	-1	8,163.8	2	1
Net Operating Expenses	6,401.5	6,122.9	6,353.5	-1	4	6,492.9	2	6
Net Cash Income	2,001.5	1,920.6	1,635.4	-18	-15	1,670.9	2	-13
Realized Net Income	1,146.6	1,108.3	756.4	-34	-32	774.2	2	-30
Total Net Income	1,079.4	1,114.6	681.7	-23	-25	700.0	-16	-37
Range for Net Cash Income Forecast								
	---------- $ million ----------			%	%	- $ million -	%	%
Lowest Value			1,363.9	-32	-29	1,166.3	-29	-39
Net Cash Income	2,001.5	1,920.6	1,635.4	-18	-15	1,670.9	2	-13
Highest Value			1,906.9	-5	-1	2,175.6	33	13
Average Net Operating Income								
	---------- $ per farm ----------			%	%	- $ per farm -	%	%
Farm Market Receipts	441,821	395,024	435,525	-1	10	446,762	3	13
Program Payments	16,378	24,564	9,308	-43	-62	13,542	45	-45
Farm Expenses	380,453	350,779	383,260	1	9	395,716	3	13
Net Operating Income	77,745	69,809	61,572	-21	-11	64,588	5	-6
Average Total Family Income								
	---------- $ per family ----------			%	%	- $ per family -	%	%
Net Operating Income	41,298	37,908	32,707	-21	-14	34,309	5	-9
Other Family Income	64,410	61,037	67,028	4	10	70,050	5	15
Total Family Income	105,708	98,946	99,734	-6	1	104,358	5	5

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.6:
Farm Financial Situation, Ontario, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	$ million			%	%	$ million	%	%
Crop Receipts	6,214.4	5,972.2	6,229.1	0	4	6,060.6	-3	1
Livestock Receipts	6,225.9	5,417.7	6,215.9	0	15	6,101.9	-2	13
Total Market Receipts	12,440.3	11,389.9	12,445.0	0	9	12,162.6	-2	7
Program Payments	277.0	301.2	295.4	7	-2	417.9	41	39
Total Cash Receipts	12,717.4	11,691.1	12,740.4	0	9	12,580.5	-1	8
Net Operating Expenses	10,023.0	9,296.0	10,239.2	2	10	10,520.8	3	13
Net Cash Income	2,694.3	2,395.1	2,501.2	-7	4	2,059.7	-18	-14
Realized Net Income	1,296.4	1,080.7	1,056.7	-19	-2	575.1	-46	-47
Total Net Income	1,183.9	1,116.5	1,202.8	2	8	518.4	-57	-54
Range for Net Cash Income Forecast								
	$ million			%	%	$ million	%	%
Lowest Value			2,076.0	-23	-13	1,353.2	-46	-43
Net Cash Income	2,694.3	2,395.1	2,501.2	-7	4	2,059.7	-18	-14
Highest Value			2,926.4	9	22	2,766.2	11	15
Average Net Operating Income								
	$ per farm			%	%	$ per farm	%	%
Farm Market Receipts	366,025	340,141	373,178	2	10	373,427	0	10
Program Payments	8,739	8,957	9,445	8	5	13,537	43	51
Farm Expenses	312,210	282,320	324,663	4	11	337,797	4	16
Net Operating Income	61,554	56,779	57,959	-6	2	49,167	-15	-13
Average Total Family Income								
	$ per family			%	%	$ per family	%	%
Net Operating Income	25,899	24,906	24,387	-6	-2	20,687	-15	-17
Other Family Income	98,938	92,532	104,373	5	13	108,949	4	18
Total Family Income	124,837	117,437	128,760	3	10	129,637	1	10

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009;
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014;
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income;
with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.7:
Farm Financial Situation, Manitoba, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	---------- $ million ----------			%	%	- $ million -	%	%
Crop Receipts	3,249.8	2,933.8	3,365.8	4	15	3,307.3	-2	13
Livestock Receipts	2,494.1	2,018.9	2,521.5	1	25	2,467.0	-2	22
Total Market Receipts	5,743.9	4,991.7	5,885.3	2	19	5,774.3	-2	17
Program Payments	230.5	389.2	286.9	24	-27	284.7	0	-27
Total Cash Receipts	5,974.4	5,341.8	6,170.8	3	16	6,059.0	-2	13
Net Operating Expenses	4,541.2	4,243.5	4,616.2	2	9	4,779.1	4	13
Net Cash Income	1,433.2	1,097.5	1,554.6	8	42	1,279.9	-18	17
Realized Net Income	798.9	515.4	886.1	11	72	585.4	-34	14
Total Net Income	410.4	537.1	901.4	120	68	472.6	-48	-12
Range for Net Cash Income Forecast								
	---------- $ million ----------			%	%	- $ million -	%	%
Lowest Value			1,279.4	-11	17	833.2	-46	-24
Net Cash Income	1,433.2	1,097.5	1,554.6	8	42	1,279.9	-18	17
Highest Value			1,829.8	28	67	1,726.6	11	57
Average Net Operating Income								
	---------- $ per farm ----------			%	%	- $ per farm -	%	%
Farm Market Receipts	448,471	386,148	478,653	7	24	476,803	0	23
Program Payments	19,953	29,990	25,045	26	-16	25,317	1	-13
Farm Expenses	382,285	340,673	406,895	6	19	423,632	4	24
Net Operating Income	86,139	74,535	96,803	12	30	78,488	-19	5
Average Total Family Income								
	---------- $ per family ----------			%	%	- $ per family -	%	%
Net Operating Income	35,976	32,729	40,430	12	24	32,780	-19	0
Other Family Income	76,622	71,419	80,360	5	13	84,496	5	18
Total Family Income	112,598	104,148	120,790	7	16	117,276	-3	13

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.8:
Farm Financial Situation, Saskatchewan, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
		$ million		%	%	- $ million -	%	%
Crop Receipts	9,812.3	8,707.8	10,299.4	5	18	10,487.0	2	20
Livestock Receipts	2,718.2	1,893.5	3,050.3	12	61	2,862.5	-6	51
Total Market Receipts	12,530.5	10,601.3	13,349.7	7	26	13,349.5	0	26
Program Payments	611.8	869.0	577.7	-6	-34	656.4	14	-24
Total Cash Receipts	13,142.3	11,470.3	13,927.4	6	21	14,005.9	1	22
Net Operating Expenses	8,466.0	7,709.3	8,426.5	0	9	8,548.3	1	11
Net Cash Income	4,676.3	3,761.0	5,500.9	18	46	5,457.6	-1	45
Realized Net Income	3,189.8	2,426.8	3,913.2	23	61	3,798.1	-3	57
Total Net Income	1,761.9	2,663.7	3,448.2	96	29	3,626.6	5	36
Range for Net Cash Income Forecast								
		$ million		%	%	- $ million -	%	%
Lowest Value			4,658.3	0	24	3,722.1	-32	-1
Net Cash Income	4,676.3	3,761.0	5,500.9	18	46	5,457.6	-1	45
Highest Value			6,342.5	36	69	7,193.1	31	91
Average Net Operating Income								
		$ per farm		%	%	- $ per farm -	%	%
Farm Market Receipts	341,300	278,854	375,308	10	35	377,920	1	36
Program Payments	12,958	19,646	12,399	-4	-37	14,275	15	-27
Farm Expenses	274,166	227,937	282,269	3	24	286,996	2	26
Net Operating Income	80,092	70,563	105,438	32	49	105,197	0	49
Average Total Family Income								
		$ per family		%	%	- $ per family -	%	%
Net Operating Income	36,704	33,896	48,318	32	43	48,208	0	42
Other Family Income	99,582	90,448	103,590	4	15	107,506	4	19
Total Family Income	136,285	124,344	151,909	11	22	155,714	3	25

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.9:
Farm Financial Situation, Alberta, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
		$ million		%	%	- $ million -	%	%
Crop Receipts	5,946.6	5,552.4	5,905.9	-1	6	5,861.8	-1	6
Livestock Receipts	6,401.2	4,960.0	6,711.8	5	36	6,122.9	-9	24
Total Market Receipts	12,348.0	10,492.4	12,617.7	2	20	11,984.7	-5	14
Program Payments	549.2	703.1	658.3	20	-6	717.3	9	2
Total Cash Receipts	12,897.2	11,195.5	13,276.0	3	19	12,702.0	-4	13
Net Operating Expenses	10,087.2	9,032.8	10,103.6	0	12	10,132.2	0	12
Net Cash Income	2,810.0	2,162.7	3,172.4	13	47	2,569.8	-19	19
Realized Net Income	1,218.9	711.6	1,476.3	21	107	801.8	-46	13
Total Net Income	346.2	948.6	986.3	185	4	915.9	-7	-3
Range for Net Cash Income Forecast								
		$ million		%	%	- $ million -	%	%
Lowest Value			2,680.7	-5	24	1,562.4	-51	-28
Net Cash Income	2,810.0	2,162.7	3,172.4	13	47	2,569.8	-19	19
Highest Value			3,664.1	30	69	3,577.1	13	66
Average Net Operating Income								
		$ per farm		%	%	- $ per farm -	%	%
Farm Market Receipts	452,093	381,293	476,313	5	25	458,902	-4	20
Program Payments	14,428	17,737	17,524	21	-1	19,350	10	9
Farm Expenses	397,528	334,920	413,520	4	23	412,704	0	23
Net Operating Income	69,894	64,109	80,317	15	25	65,548	-18	2
Average Total Family Income								
		$ per family		%	%	- $ per family -	%	%
Net Operating Income	31,130	31,029	35,773	15	15	29,194	-18	-6
Other Family Income	135,330	119,139	139,020	3	17	143,227	3	20
Total Family Income	166,461	150,168	174,793	5	16	172,421	-1	15

Sources: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income, with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.

Table B.10:
Farm Financial Situation, British Columbia, 2014 to 2016

	2014	Average 2010-2014	2015	* Percent change 15/14	* Percent change 15/10-14	2016	* Percent change 16/15	* Percent change 16/10-14
Aggregate Farm Cash Receipts, Expenses and Income								
	——— $ million ———			%	%	- $ million -	%	%
Crop Receipts	1,429.4	1,318.9	1,433.0	4	12	1,501.8	1	14
Livestock Receipts	1,480.6	1,348.4	1,536.9	4	14	1,487.8	-3	10
Total Market Receipts	2,910.0	2,667.3	3,019.9	4	13	2,989.6	-1	12
Program Payments	30.6	54.0	30.8	1	-43	39.4	28	-27
Total Cash Receipts	2,940.6	2,721.3	3,050.6	4	12	3,029.0	-1	11
Net Operating Expenses	2,603.2	2,462.1	2,653.9	2	8	2,701.1	2	10
Net Cash Income	337.5	259.2	396.7	18	53	327.8	-17	26
Realized Net Income	-59.2	-116.4	-12.6	**	**	-92.0	**	**
Total Net Income	-68.5	-105.5	-12.8	**	**	-70.8	**	**
Range for Net Cash Income Forecast								
	——— $ million ———			%	%	- $ million -	%	%
Lowest Value			264.2	-22	2	149.8	-62	-42
Net Cash Income	337.5	259.2	396.7	18	53	327.8	-17	26
Highest Value			529.2	57	104	505.8	28	95
Average Net Operating Income								
	——— $ per farm ———			%	%	- $ per farm -	%	%
Farm Market Receipts	411,926	390,328	440,329	7	13	433,851	-1	11
Program Payments	4,011	7,337	4,090	2	-44	5,308	30	-28
Farm Expenses	360,262	350,053	381,700	6	9	382,700	0	9
Net Operating Income	55,675	47,613	62,720	13	32	56,456	-10	19
Average Total Family Income								
	——— $ per family ———			%	%	- $ per family -	%	%
Net Operating Income	9,447	8,444	10,642	13	26	9,580	-10	13
Other Family Income	105,664	97,359	111,827	6	15	118,297	6	22
Total Family Income	115,111	105,803	122,470	6	16	127,876	4	21

Source: Statistics Canada, CANSIM Tables 002-0001 and 002-0009.
Statistics Canada Whole Farm Data Project: Net Operating Income for 2014.
Agriculture and Agri-Food Canada: forecast figures for 2015 and 2016, except for Other Family Income and Total Family Income
with forecast figures for 2014 to 2016.

* The percent change calculation may not be exact due to rounding.

** The calculation of percent change involving a negative number yields a counter-intuitive, though arithmetically correct result.

Note: Due to differences in concepts, the trends in the aggregate and farm level performance indicators may differ.